

**162-0518-2015**

**Approval of First Amendment to  
Interlocal Agreement for MiLife Health and Wellness Center**

May 11, 2015

The Honorable Mayor Ellison and  
Members of the City Commission:

As you are aware, the MiLife Health and Wellness Center opened in January 2015 in partnership with the Cities of Ferndale and Madison Heights. Early utilization numbers have been on track with presented projections and compared to similar centers in their inaugural year nationwide.

Additional public and private partners would be beneficial to the operation of the center. It would allow us to increase utilization, potentially offer more hours of operation, and reduce some of the fixed costs to the individual cities by spreading it to more partnering organizations. We are continuously working with Cornerstone Municipal and the partner cities to identify potential partners.

The current interlocal agreement provides for bringing on another employer for a lump sum "entry fee" of \$7,500 and an ongoing \$5.00 per employee per visit fee. This has proven to be cost prohibitive for some potential partners. These fees were consistent with what we saw in other similar centers, and were not based directly on any data we had at our disposal at the time. After detailed review, we are recommending changed entry fees to make them more palatable for potential partners, especially smaller organizations, and more aligned with the cost of implementation the cities incurred.

To this end, an amendment to the Interlocal Agreement is being presented for your consideration. The proposed amendment incorporates several changes to Section 7 of the interlocal agreement:

1. Broadens the definition of eligible agencies to allow for the future possibility of a private sector participant. (Recall that our MiLife Center is modeled in large part after the Calhoun County – City of Battle Creek – Toyota Tsusho collaboration in Battle Creek.)
2. Replaces the one-time \$7,500 entry fee with a one-time \$65.50 per eligible employee fee up to a maximum of \$7,500. The committee agreed on the \$65.50 amount based on the approximate per employee startup cost that each of the three founding cities incurred.
3. Eliminates the ongoing fee of \$5.00 per employee/dependent visit that would have been assessed to additional employers.
4. Provides that additional employers will share in the cost of new and replacement equipment for the center, based on their percentage of eligible employees at the time of purchase.

A redline version of the proposed changes (Attachment 1) and the proposed clean copy of the agreement (Attachment 2) are provided for your review. The following resolution is recommended for adoption:

**Be It Resolved**, the City Commission hereby approves the First Amendment to the Interlocal Agreement for the MiLife Health and Wellness Center and hereby authorizes the Mayor and City Clerk to execute the approved amendment on behalf of the city.

Respectfully submitted,  
Stewart Meek  
Assistant to the City Manager

Approved,

A handwritten signature in black ink, appearing to read "Donald E. Johnson".

Donald E. Johnson  
City Manager

2 Attachments

# Attachment 1

## FIRST AMENDMENT to the INTERLOCAL AGREEMENT FOR ON-SITE HEALTH & WELLNESS CENTER

This First Amendment to the Interlocal Agreement for On-Site Health and Wellness Center between the CITY OF FERNDAL (hereinafter "Ferndale"), CITY OF MADISON HEIGHTS (hereinafter "Madison Heights"), and CITY OF ROYAL OAK (hereinafter "Royal Oak"), collectively referred herein as "Employers", for the creation of a jointly operated on-site Health & Wellness Center (hereinafter "Center") for the Employers' eligible employees ("employees"), eligible retirees ("retirees"), and their eligible dependents ("dependents") as defined.

WHEREAS, the Employers wish to amend the Interlocal Agreement to address the fees charged to additional employers joining the center.

NOW, THEREFORE, the Employers agree as follows.

Section 7. ADDITIONAL EMPLOYERS shall read as follows:

- a. Entry Fee. In the event that an outside agency (hereinafter "additional Employer") wishes to utilize the services of the Center, and the Employers agree to allow the additional Employer to join, the additional Employer shall pay ~~a one-time fee of \$65.50 per eligible employee with a maximum cost of \$7,500~~. This entry fee will be divided among the original Employers to offset initial set-up expenses.
- b. Services Agreement. An Additional Employer shall be required to enter into a Services Agreement with CareHere and bear the financial and other responsibilities as set forth in the service agreement for the services provided. An additional Employer shall pay its proportionate share of the total CareHere contract with the Center.
- c. Reciprocal agreement. If an additional Employer constructs or partners with an agency or agencies to construct its own health and wellness center or similar venue with CareHere as the provider, the additional Employer shall execute a reciprocal agreement with the original Employers for their use of the additional Employer's center.
- d. New/Replacement Equipment. An Additional Employer shall share in the assessment for new and/or replacement equipment for the Center, based on the percentage of eligible employees at the time of purchase.

**Deleted:** public

**Deleted:** a lump sum of \$7,500

**Deleted:** and shall pay an additional five (\$5.00) dollars for each employee, retiree or dependent visit to the Center. This \$5.00 will be divided amount the original Employers to offset on-going maintenance expenses and building cost.

IN WITNESS WHEREOF, the Agreement has been signed on behalf of the Employers on the date indicated and pursuant to authorization of the respective bodies.

**City of Ferndale, MI**

Date of Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: April M. Lynch  
Title: City Manager  
Address: 300 East Nine Mile Road  
Ferndale, MI 48220

# Attachment 1

## City of Madison Heights, MI

Date of Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: Benjamin I. Myers  
Title: City Manager  
Address: 300 West Thirteen Mile Road  
Madison Heights, MI 48071

## City of Royal Oak, MI

Date of Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: James B. Ellison  
Title: Mayor  
Address: 211 South Williams Street  
Royal Oak, MI 48067

# Attachment 2

## FIRST AMENDMENT to the INTERLOCAL AGREEMENT FOR ON-SITE HEALTH & WELLNESS CENTER

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**City of Ferndale, MI**

Date of Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: April M. Lynch

Title: City Manager

Address: 300 East Nine Mile Road  
Ferndale, MI 48220

## Attachment 2

### City of Madison Heights, MI

Date of Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: Benjamin I. Myers  
Title: City Manager  
Address: 300 West Thirteen Mile Road  
Madison Heights, MI 48071

### City of Royal Oak, MI

Date of Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: James B. Ellison  
Title: Mayor  
Address: 211 South Williams Street  
Royal Oak, MI 48067